



CITY OF HAYWARD

AGENDA REPORT

AGENDA DATE 12/11/01

AGENDA ITEM 6

WORK SESSION ITEM _____

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT: Approval of Amendment to Lease Agreement with Hayward Area Recreation and Park District (HARD) for Skywest Golf Course

RECOMMENDATION:

It is recommended that the City Council adopt the attached resolution that approves the Third Amendment to the Lease with HARD for the Skywest Golf Course.

BACKGROUND:

From October 1963 through December 1974, Skywest Golf Course, located at the Hayward Executive Airport, was operated and maintained under a single, long-term lease agreement with the City of Hayward. In January of 1975, the lease was assigned to the current tenant of the existing lease, HARD. In 1988, the original lease termination date of 1994 was extended 10 years to 2004. HARD requested the lease extension in order to complement their financial strategy to renovate certain amenities at the Golf Course. At this time, HARD is again requesting a lease extension of 15 years, terminating the lease on September 30, 2019. As before, the proposed lease extension request carries an obligation to make certain improvements to the golf course. As part of this extension HARD agrees to complete the following additional capital improvement projects, estimated at \$5 million:

- | | |
|--|-------------|
| • Construction of new clubhouse and restaurant | \$3,000,000 |
| • Green replacement program | 1,000,000 |
| • Tree replacement program | 500,000 |
| • Concrete cart paths | 500,000 |

HARD estimates that the clubhouse and restaurant will be completed by June 2003. The other improvements will be completed over the next five to seven years.

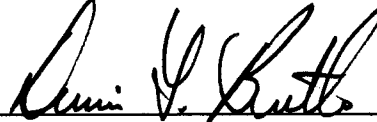
The lease extension includes a provision that the City Manager will annually review progress toward satisfactory completion of the above-mentioned capital improvement projects. If HARD demonstrates substantial progress, then, on an annual basis, subject to the availability of funds, the City will distribute \$75,000 from park in lieu fees to HARD; for a period not to exceed ten (10) years. If, at the sole discretion of City, HARD has not made substantial progress toward completion of the projects, then City may elect to withhold park in lieu fees, in any amount.

A copy of this lease amendment is available for review in the office of the City Clerk.

CONCLUSION:

Staff believes the capital improvements at the Skywest Golf Course proposed by HARD are needed and will increase the longevity and attractiveness of the facility.

Prepared and Recommended by:



Dennis L. Butler, Director of Public Works

Approved by:



Jesús Armas, City Manager

DRAFT

MJP
12/6/01

HAYWARD CITY COUNCIL

RESOLUTION NO. _____

Introduced by Council Member _____

**RESOLUTION AUTHORIZING THE CITY MANAGER
TO APPROVE A THIRD AMENDMENT TO THE LEASE
BETWEEN THE CITY OF HAYWARD AND HAYWARD
AREA RECREATION AND PARK DISTRICT FOR THE
SKYWEST GOLF COURSE**

WHEREAS, Hayward Area Recreation and Park District (HARD) has requested a 15 year extension to their current lease, to September 30, 2019, in order to complete additional capital improvement projects at the Skywest Golf Course estimated at \$5 million; and

WHEREAS, the City manager will annually review progress toward completion of the improvements, if satisfactory, the City will distribute \$75,000 from park in lieu fees to HARD for a period not to exceed ten (10) years, subject to the availability of funds; and

WHEREAS, if HARD has not made progress toward completion of the projects, the City may elect to withhold park in lieu fees in any amount.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward that the City Manager is hereby authorized and directed to execute on behalf of the City of Hayward a Third Amendment to the existing lease with HARD to extend the termination date to September 30, 2019, for the purpose of completing additional capital improvement projects at the Skywest Golf Course, on file in the office of the City Clerk, in a form to be approved by the City Attorney.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2001

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:

MAYOR:

NOES: COUNCIL MEMBERS: